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JOINT STATE -DLF-EXIMBANK MESSAGE

Department desires Ambassador call on Nkrumah and inform him of following decisions regarding terms on which US willing provide $30 million as promised Deptel 170 August 16.

DLF has approved allocation $20 million for long term loan repayable at 3 1/2 percent in dollars subject following conditions:

a) Receipt satisfactory detailed application containing information required Section 517 MSA.

b) Satisfactory assurances other financing for construction both hydro project and aluminum smelter have been arranged.

c) Working out detailed terms and conditions for administration funds to be disbursed pursuant various project loans.

d) Arrangements with Government of Ghana are to provide that DLF funds are to be disbursed to maximum amount feasible, for goods and services of US origin, for the Volta Hydroelectric project. To extent DLF loan proceeds not used for US procurement they may be used finance local currency costs hydro project under a bank account arrangement with

GOG

845J.2614/9-160

Drafted by: OFD/ED:GRKenney:cd 9/1/60

Telegraphic transmission and classification approved by: Edwin M. Martin

Clearances: DLF - Mr. Smith (substance); Mr. Zinman "; Mr. Perry "; Eximbank - Mr. Rowntree "; AF - Mr. Troxel (substance); AFS - Mr. Ferguson "; OFD - Mr. Kerr "; ED - Mr. Schmukler "; Treasury: Mr. Von Klemperer; L - Mr. Krohes

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GOG restricting use [redacted] dollars paid for such local currency to purchases in [redacted] United States not associated with hydro project.

Eximbank prepared consider application for $10 million at 5 3/4 percent for hydro project. This amount for US procurement only and repayable in dollars.

DLF anticipates approximately 30 year term its portion and Eximbank 25 years.

Department confident that in your presentation you can insure NKRUMAH realizes US has gone as far as it possibly can and above terms come very close to meeting his full request.

Herter

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